



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

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August 21, 2001

CERTIFIED RETURN RECEIPT

7000 0520 0021 7582 9392

Mr. W. Wesley Emerson
Peak Minerals – Azomite, Inc.
607 State Highway 165, Suite 8
P.O. Box 6588
Branson, Missouri 65615-6588

Re: Follow-up to June 27, 2001 Notice of Potential Non-Compliance & Division Directive,
Peak Minerals – Azomite, Inc., Trace Mine #1/Aumco Claim, S/039/001, Sanpete
County, Utah

Dear Mr. Emerson:

This letter is to document the meeting held on July 16, 2001, with me, Mary Ann Wright, Lynn Kunzler, and Doug Jensen of the Division, and George Young and Clyde Larsen representing Peak Minerals – Azomite, Inc. This meeting was conducted to discuss a potential non-compliance situation, regarding an expansion of the site disturbance at the Trace Mine #1/Aumco Claim beyond the 5-acre limit for a small mining operation.

Questions were raised during the meeting regarding the accuracy of the Division's GPS survey, which was the basis of the determination that the 5-acre limit had been exceeded. Also, it was questioned as to whether historic – grandfathered areas had been included within the Division's survey area. To resolve this question, we agreed to perform a second inspection within the next week or two, with the operator's representation. Assuming that the GPS survey was correct, we discussed options for Peak Minerals – Azomite, Inc. to mitigate the non-compliance. These options included permitting the site as a large mining operation, or reclaiming sufficient acreage to reduce the disturbed area to less than 5 acres.

On August 2, 2001, Lynn Kunzler met with you on site to review the site conditions (inspection memo attached). After evaluation of the site, the excess disturbed acreage was no longer questioned. It was agreed that a 1.5 acre area, identified at the southwest portion of the

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disturbed area, will be reclaimed within 45 days (regrading work to be completed by September 17, 2001, and seeding to be completed by October 31, 2001). It is our understanding that Jason Danse of Nephi Sandstone, Inc. will be performing the reclamation work for you. He agreed to contact the Division before he begins so that the Division can arrange to have someone at the site to assure regrading work is completed in a satisfactory manner prior to demobilization of his equipment. As per your onsite request, attached is a recommended seed mix to be applied this fall.

Thank you for your cooperation and willingness to resolve this problem. If you have any additional questions, please don't hesitate to contact me at (801) 538-5286, or Lynn Kunzler at 538-5310.

Sincerely,



FOR

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosures: Inspection memo, Recommended seed mix
cc Mary Ann Wright, DOGM
Lynn Kunzler, DOGM
S39-01-ltr2 .doc

Recommended Revegetation Species List
for

Peak Minerals – Azurite, Inc.
Trace Mine #1/Aumco Claim
S/039/001

<u>Common Name</u>	<u>Species Name</u>	<u>*Rate lbs/ac (PLS)</u>
Hires crested wheatgrass	<u>Agropyron cristatum</u>	1.0
Luna pubescent wheatgrass	<u>Agropyron tricophorum</u>	2.0
Western wheatgrass	<u>Agropyron smithii</u>	2.0
Indian ricegrass	<u>Oryzopsis hymenoides</u>	2.5
Bluebunch wheatgrass	<u>Agropyron spicatum</u>	2.0
Ladak alfalfa	<u>Medicago sativa</u>	1.0
Yellow Sweetclover	<u>Melilotus officinalis</u>	0.5
Palmer penstemon	<u>Penstemon palmerii</u>	0.5
Wyoming big sagebrush	<u>Artemisia tridentata wyomingensis</u>	0.1
4-wing saltbush	<u>Atriplex canescens</u>	2.0
Forage Kochia	<u>Kochia prostrata</u>	0.5
Total Seed		14.1 lbs/ac

* Rate is recommended for broadcast seeding.

Prepared by DOGM Aug. 2000



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August 17, 2001

TO: Minerals File

FROM: Lynn Kunzler, Senior Reclamation Specialist 

RE: Site Inspection, Peak Minerals – Azomite Inc., Trace Minerals #1 Mine, S/039/001, Sanpete County, Utah

Date of Inspection: August 2, 2001
Time of Inspection: 8:30 a.m.
Conditions: Clear, warm
Participants: Jason Danse, Nephi Sandstone; Clyde Larson and Wes Emerson, Peak Minerals – Azomite, Inc.; and Lynn Kunzler, DOGM

Purpose of Inspection: To review site conditions with operator and determine whether sufficient acreage could be reclaimed to reduce disturbed area to less than 5 acres.

This inspection was a follow-up to the July 16, 2001 meeting with the operator, where the acreage that has been affected by mining operations had been questioned. The operator thought that the Division had included old (grand fathered) areas during the June 21st inspection, and that the active disturbed area was still less than 5 acres.

Upon arrival at the site, I was introduced to Jason Danse, of Nephi Sandstone, Inc. Peak Minerals – Azomite Inc. contract mines this permit, and indicated that Nephi Sandstone will now do the mining for them.

After reviewing the site, and identifying the boundary that was used during the June 21st inspection to determine the disturbed acreage, the operator no longer questioned the accuracy of the 5.84 acres. Attention was then turned to determining what areas need to remain open (un-reclaimed) and what area(s) could be reclaimed without affecting the operator's ability to extract their minerals. This concluded in identifying about 1.5 acres that could be reclaimed along the southwestern portion of the disturbance. Reclamation will be accomplished by removing any mineral to a central stockpile and regrading the remaining overburden materials that had been placed in the area. The area will be left in a 'rough' condition and will be seeded this fall (late October). Mr. Danse requested that the Division visit the site while he has equipment on site during the regrading operations to assure the reclamation work is adequate (thus avoiding the potential of needed to re-mobilize equipment). He indicated that he would notify the Division a few days prior to commencement of the reclamation work so that the site visit could be scheduled. The operator also asked the Division for a recommended seed mix to seed the area with this fall.

cc: Wes Emerson, Operator
S39-01 - insp.